

**FIG.-1**

ILLUSTRATIVE INSTITUTIONAL DVP TRADE PROCESS

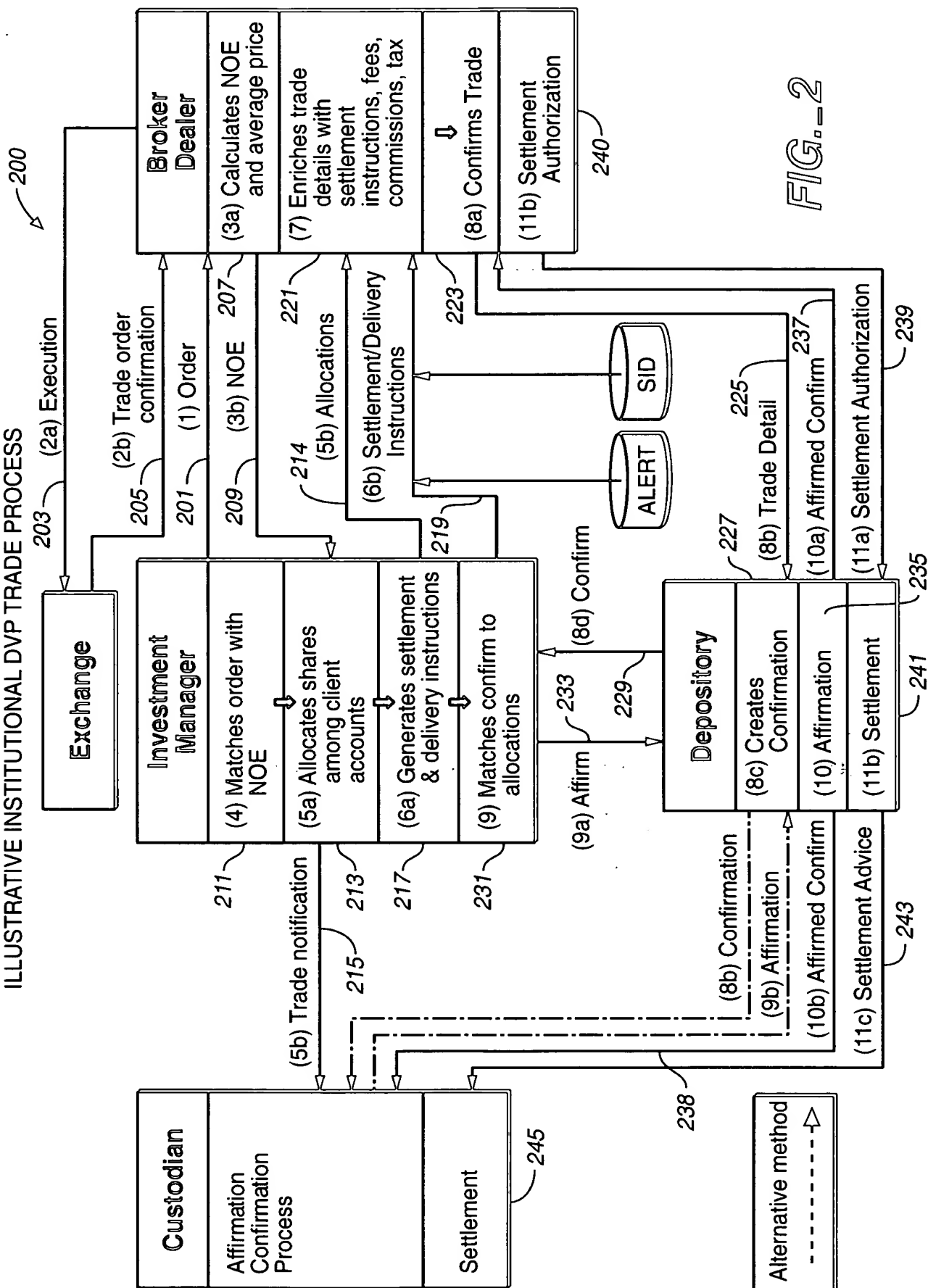
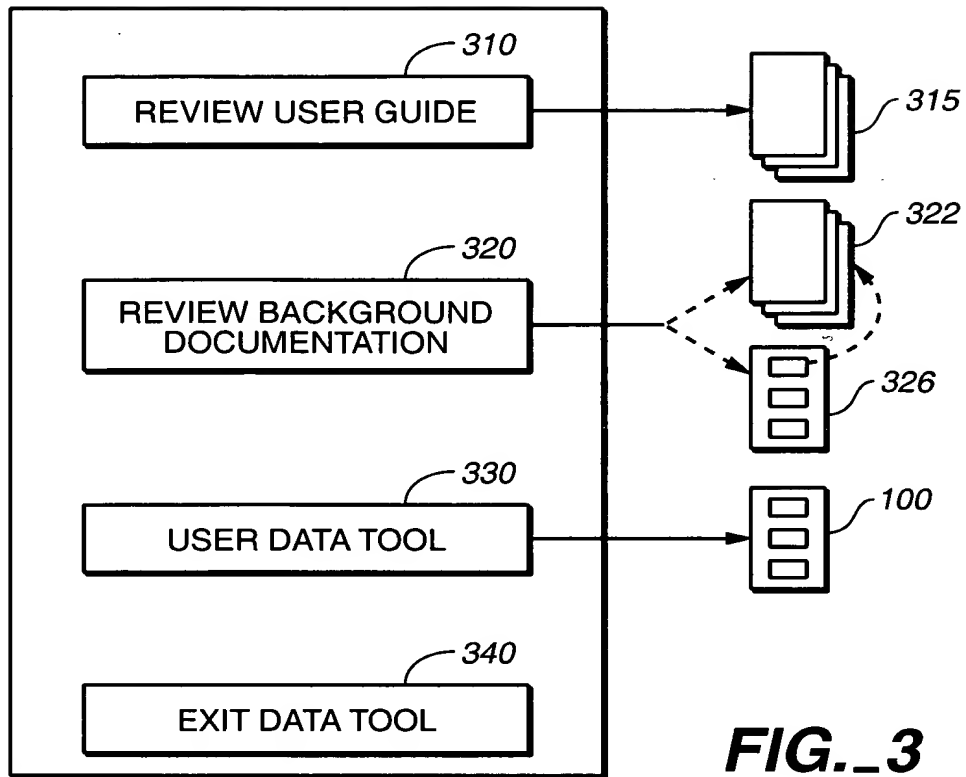


FIG. 2



Click on Hyperlink to Review Guidelines and Instructions for Each Step

1. Project Management

410A

Templates Actions

1.1 Define Project Objective and Scope



Define Objective and Scope

1.2 Develop Communication Strategy



Develop Communication Strategy

1.3 Create Work Plan



Create Work Plan

1.4 Track Progress and Status Reporting



Create New Status Report

Review Previous Status Reports

1.5 Update Issue and Resolution Log



Update Project Issue Log

1.6 Communicate with Key Sponsors



Create Presentations



Back to STP Assessment

400A

FIG. 4A

Click on Hyperlink to Review Guidelines and Instructions for Each Step

2. Identify Critical Issue

410B

Templates Actions

2.1 Review Major Business Unit's Current and Long-Term Business Strategy and Plans

415B



Update Interview Guide

2.2 Identify Key Executives for Interview and

420B

2.3 Conduct Interviews to Identify Critical Issues and STP Implications Across the Organization

425B

Create New Interview Notes

Update STP Issues Log

Review Previous Interview Notes

2.4 Summarize Critical Issues and STP

430B



2.5 Develop T+1 and T+0 STP Business Architecture and Process Definition

435B

Create Future State

2.6 Refine Project Scope and Work Plan

440B

Refine Scope

Refine Work Plan



Back to STP Assessment

400B

FIG. 4B

Click on Hyperlink to Review Guidelines and Instructions for Each Step

### 3. Establish Process and Technology Baseline

#### 3.1 Gather FTE and Level of Automation Data

3.1.1 Gather FTE Data

3.1.2 Gather Core Automation Data

3.1.3 Gather Non-Core Automation Data

#### 3.2 Gather Volume Data

#### 3.3 Analyze FTE and Automation Data

3.3.1 FTE-Automation Report by Selected Automation Level and Process

3.3.2 FTE-Automation Report by Selected FTE Level and Process

3.3.3 FTE-Automation Report by FTE Level

#### 3.4 Review Process Fragmentation Report

#### 3.5 Analyze Impact of Changing Business Volume

3.5.1 Effects by Business Process

3.5.2 Effects by Business Competency

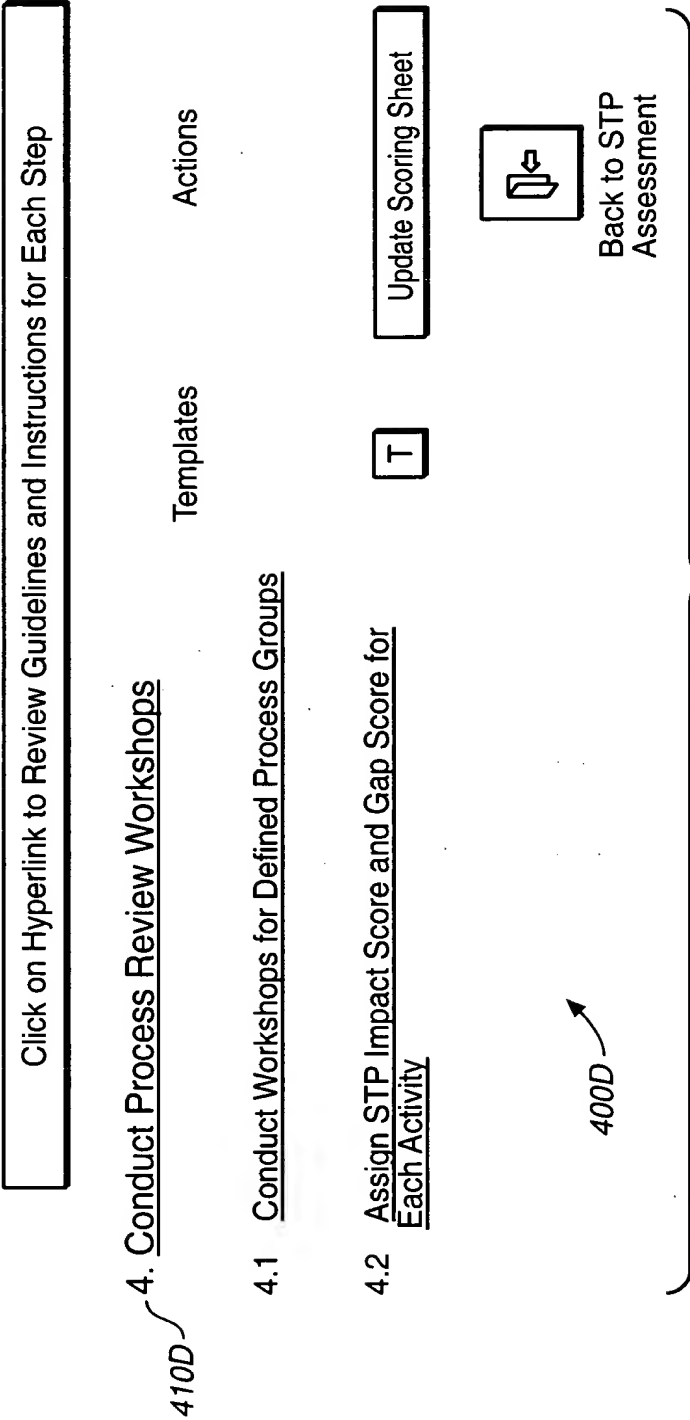
#### 3.6 Compile and Review Critical Issue

Templates	Actions
T	Collect Data
T	Collect Data
T	Collect Data
T	Collect Data
	Import FTE Data
	Import Core LOA Data
	Import Non-Core LOA
	Import Volume Data
	View Report
	View Report
	View Report
	View Report
	View Report
	View Report
	Update STP Issues Log



Back to STP Assessment

FIG.\_4C



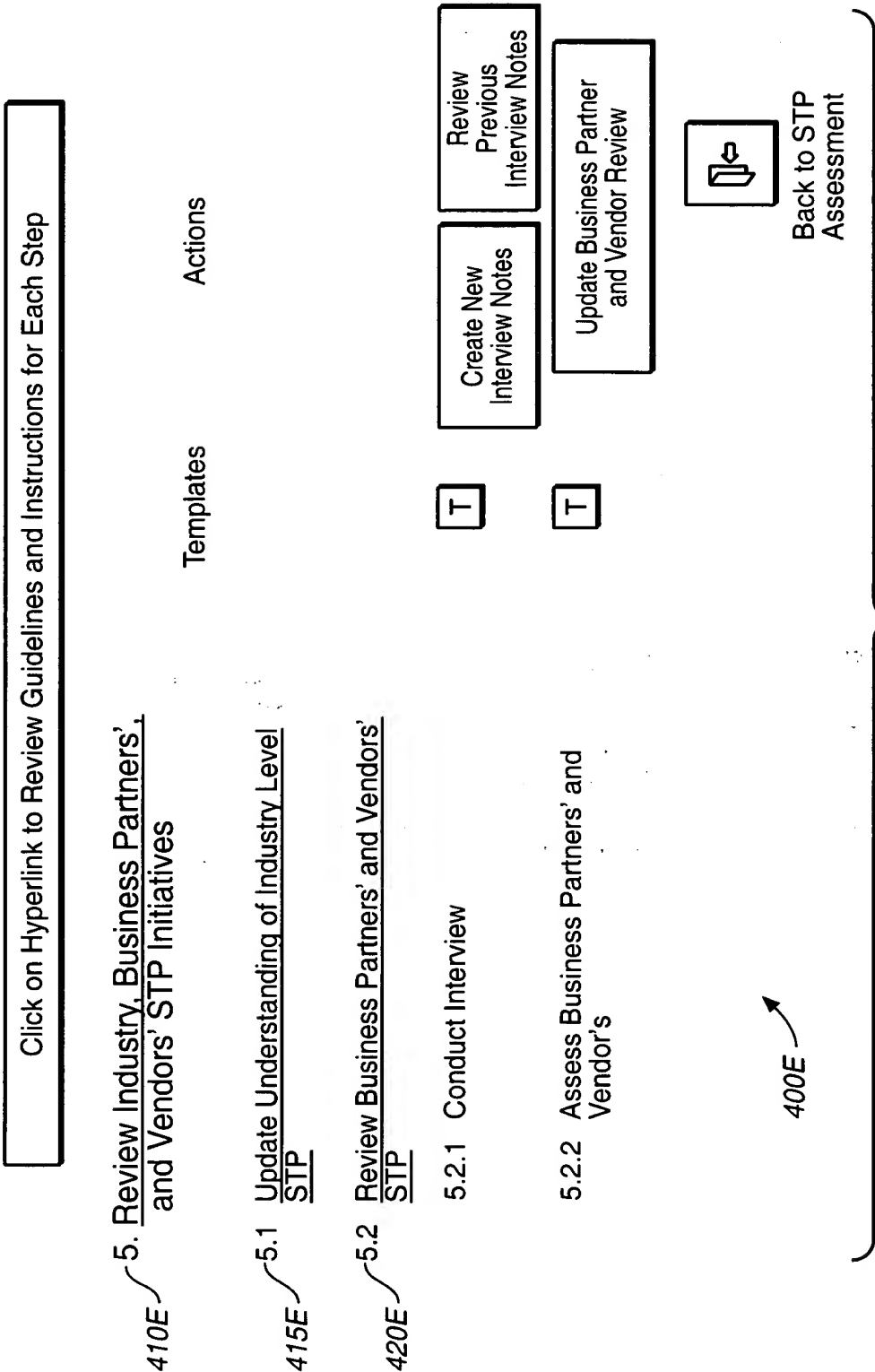


FIG.\_4E

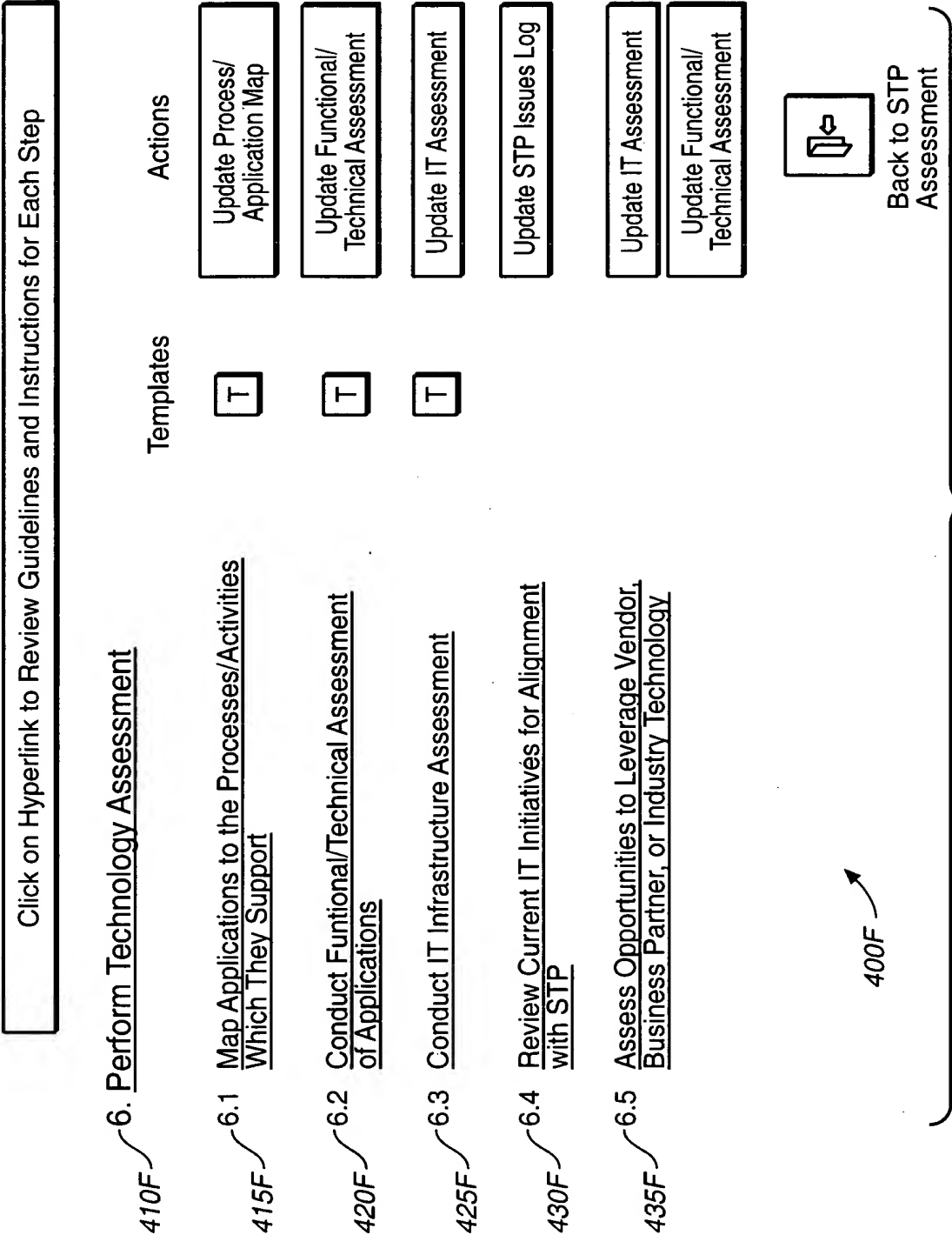


FIG..4F

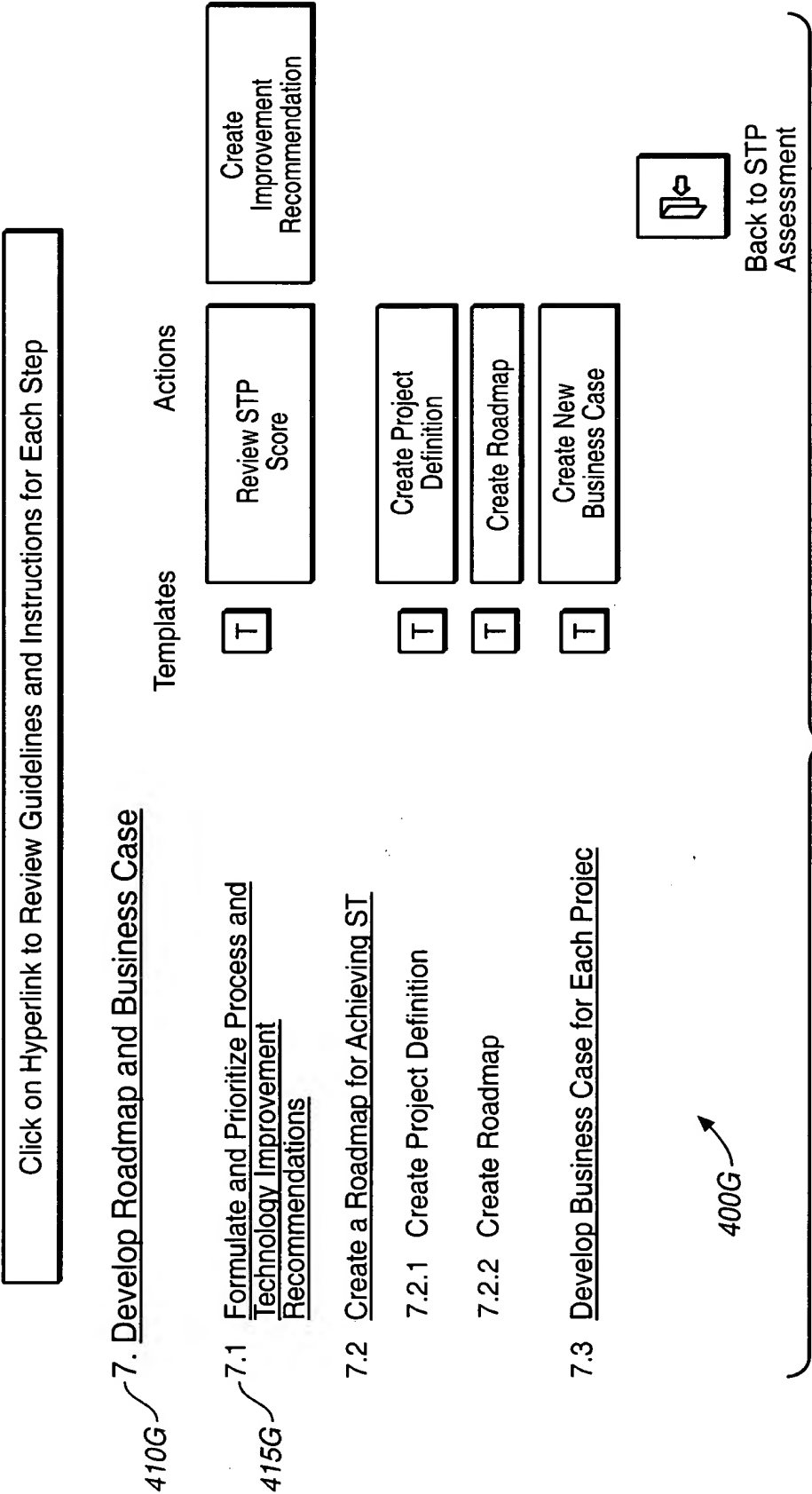


FIG.\_4G



Click on Hyperlink to Review Guidelines and Instructions for Each Step

8. Develop Implementation Plan

410H

400H



Back to STP  
Assessment

FIG.\_4H

Guidelines for Team Composition:

FTE	Role	Skills/experience required
1	Project manager	strong project management experience and skills
3.5	Process analyst	strong process redesign experience
1	Application analyst	strong background in application architecture and functional design
1	Technical analyst	strong background in technical architecture, network architecture, data protocols and Internet technologies
0.5	Financial analyst	strong business case modeling skills

FIG.\_5C



Step	Task/Subtask	Deliverables	Assigned to	Estimated Man-days	Start Date	End Date
<b>1.</b>	<b>Project Management</b>					
1.1	Define project objective and scope	project objective and scope				
1.2	Develop communication strategy	communication strategy				
1.3	Create work plan	work plan				
1.4	Track progress and status reporting	status reports				
1.5	Update issue and resolution log	project issue & resolution log				
1.6	Communicate with key sponsors					
<b>2.</b>	<b>Identify Critical Issues</b>					
2.1	Review major business units' current and long-term business strategy and plans					
2.2	Identify key executives for interview and information gathering					
2.3	Conduct interviews to identify critical issues and STP implication across the organization	Interview notes				
2.4	Summarize critical STP issues and implications	STP issue log				
2.5	Develop T+1 and T+0 STP Business Architecture and Process Definition	T+1 and T+0 future state process definitions				
2.6	Refine project scope and work plan	adjusted project scope and work plan				
<b>3.</b>	<b>Establish Process and Technology Baseline</b>					
3.1	Gather FTE and Level of Automation Data					
3.1.1	Gather FTE data	FTE data				
3.1.2	Gather Core Automation Data	LOA data for core systems				
3.1.3	Gather Non-Core Automation Data	LOA data for non-core systems				
3.2	Gather Volume Data	volume data				
3.3	Analyze FTE/Automation Data					
3.4	Review Process Fragmentation Report					
3.5	Analyze Impact of Changing Business Volume					
3.5.1	Effects by Business Process					
3.5.2	Effects by Competency					
3.6	Compile and Review Critical Issues	updated STP issue log				

FIG.-5A

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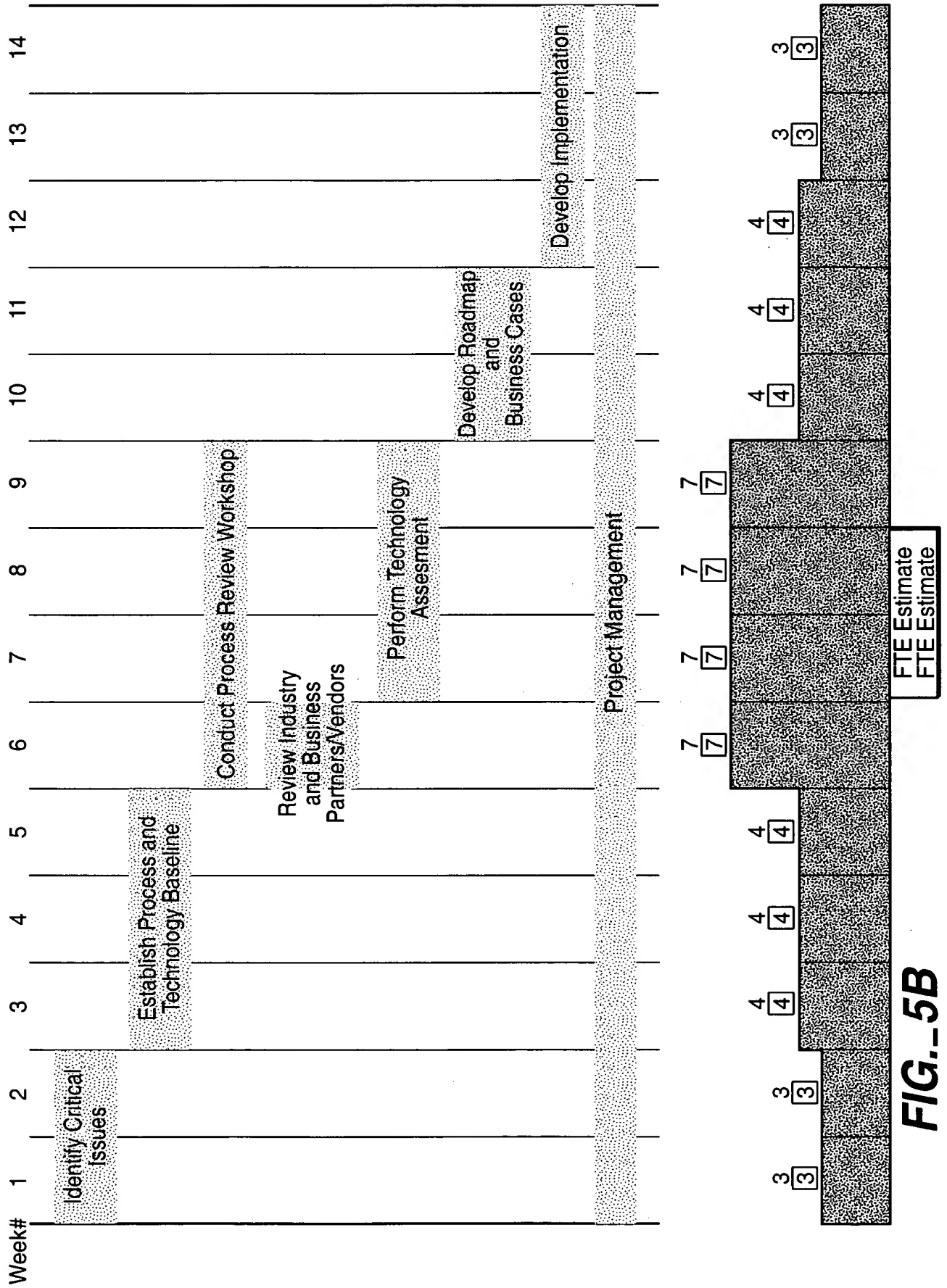


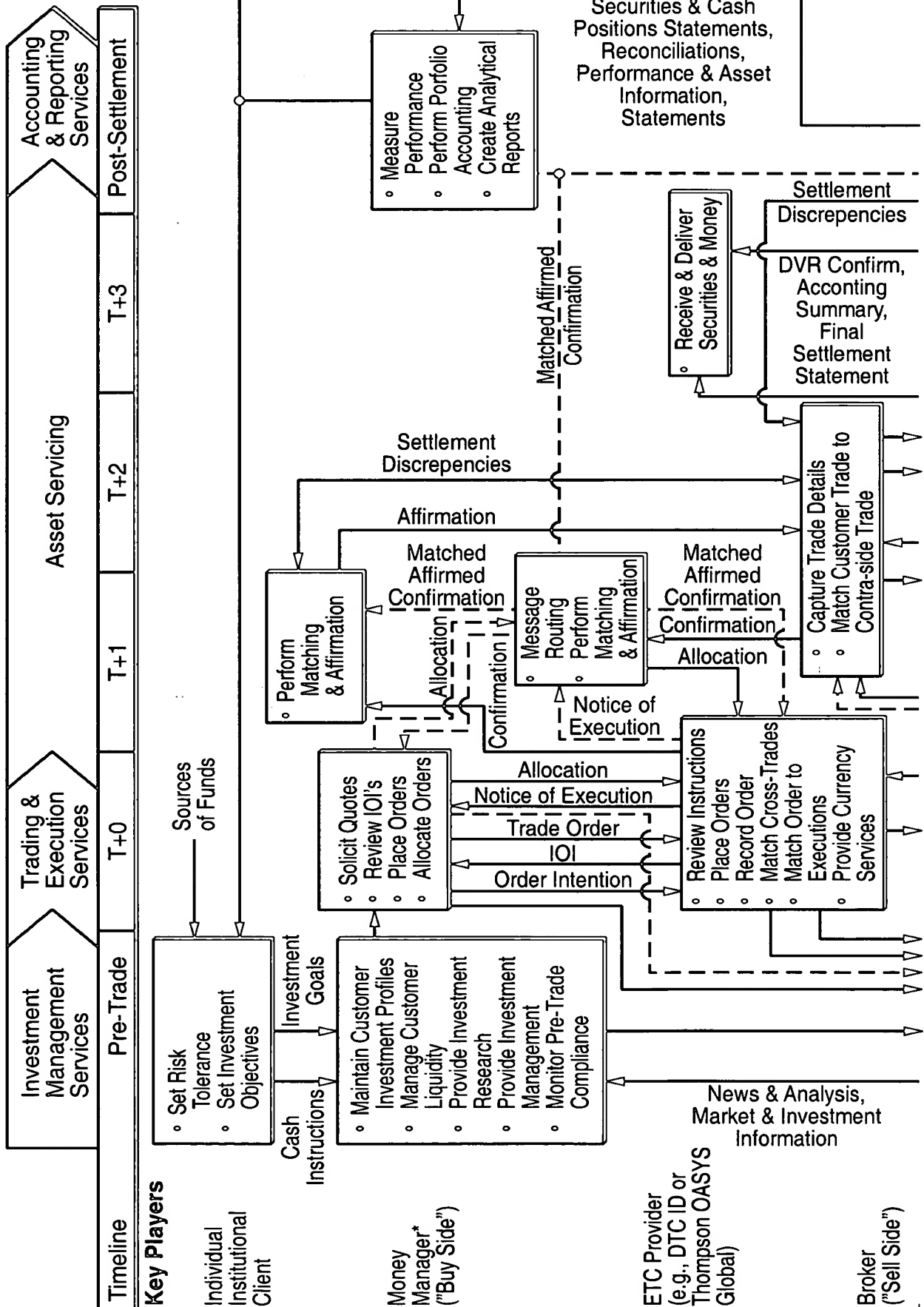
FIG.\_5B

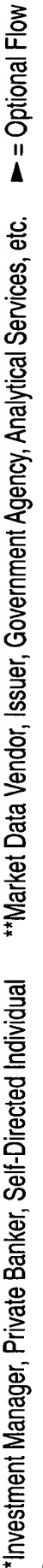
## Interview Notes

Category/Question	Comments
<b>General</b>	
1. What are your firm's key business strategies and goals?	
2. What are the key markets your firm is currently targeting, or is planning to target, in the future?	
3. What are the key products your firm is currently offering, or is planning to offer in the future?	
4. How does eCommerce figure into your strategies?	
5. What key capabilities do you think your firm needs for continued success?	
6. What important capability gaps, if any, do you currently have?	
7. Where do you see growth in your business? What is your forecast of the future growth rate in these areas? What impact will the growth have on your operation?	
8. What important operational problems or bottlenecks do you see in your firm?	
9. What are the areas of greatest operational risk?; cost?	
10. Are there any key operational quality issues?	
<b>STP Related</b>	
11. What is your definition (vision) of STP?	
12. What is the level of concern you have regarding your firm's ability to adapt to T+1; T+0?	
13. What benefits, if any, do you see in achieving STP?	
14. Which area of your firm has the greatest distance to go in achieving STP?	
15. What area of your firm should be addressed first in building an STP capability?	
16. What do you see as the major obstacles in achieving STP in your firm?	
What are your firm's annual custodian and DTC charges?	

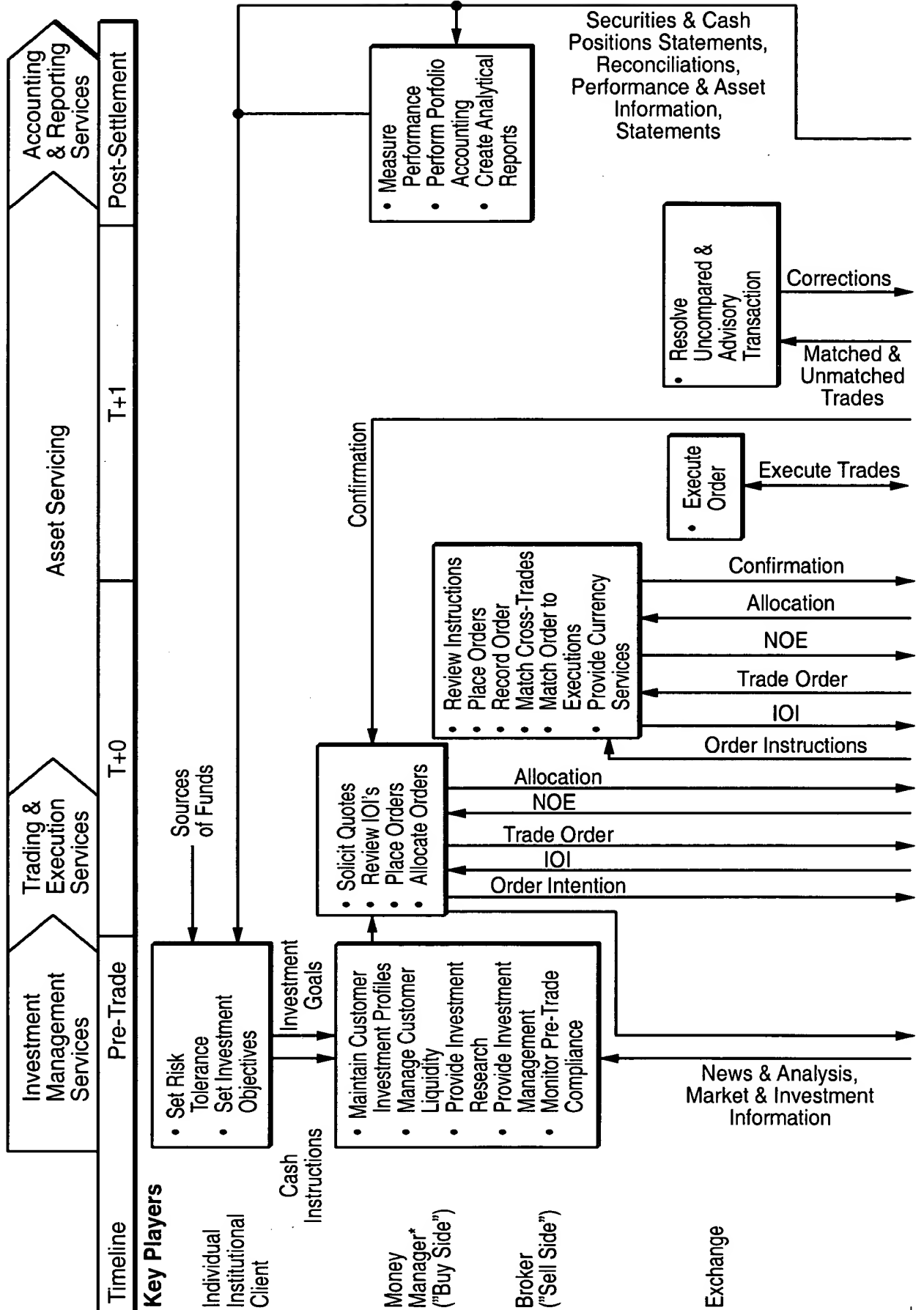
FIG. 6

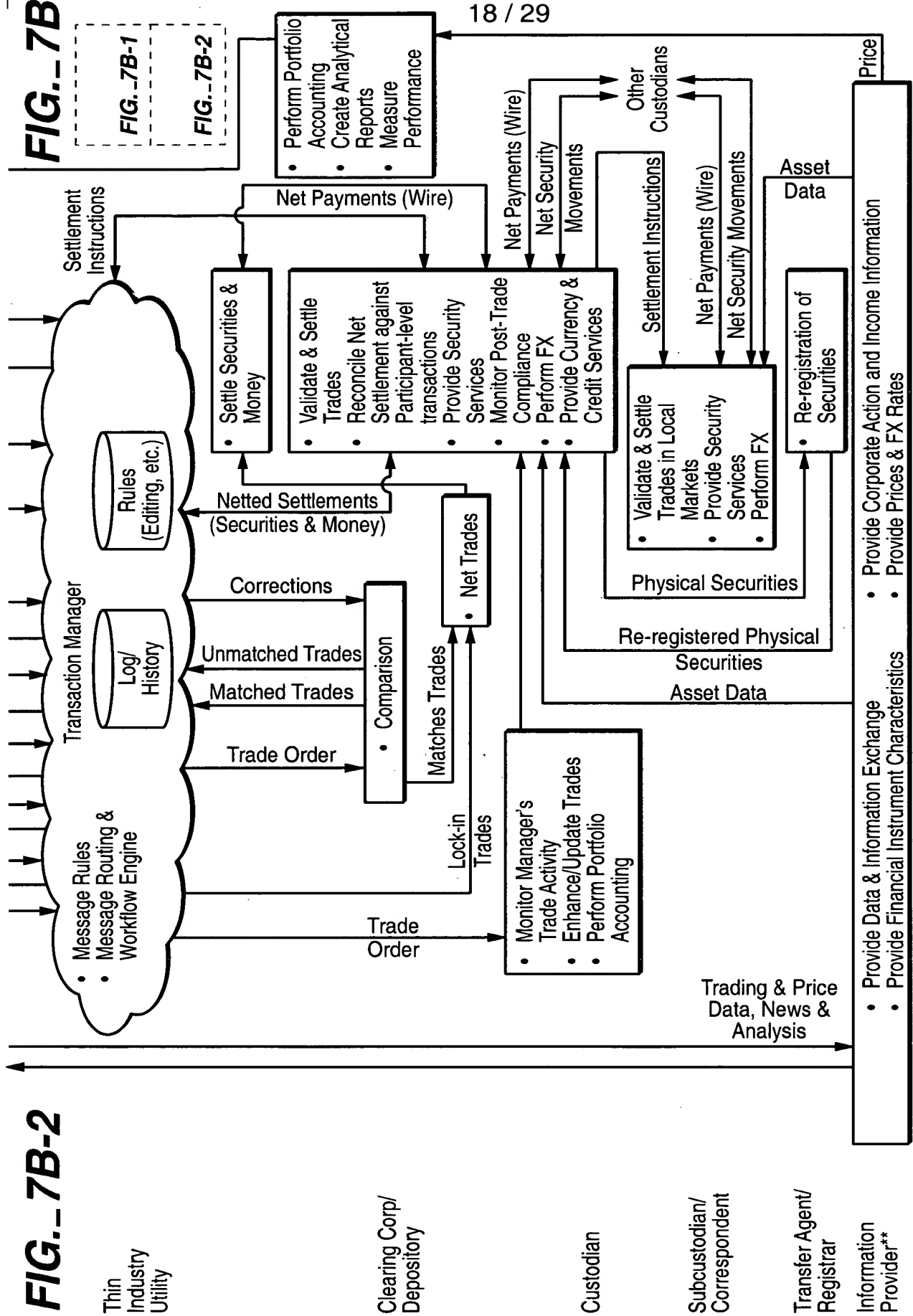
FIG.-7A-1





**FIG. 7B-1** T+1 Trade Process Flow for Equities & Fixed Income Using a Thin Industry Utility



**FIG.\_7B-2**

\*Investment Manager, Private Banker, Self-Directed Individual

\*\*Market Data Vendor, Issuer, Government Agency, Analytical Services, etc.

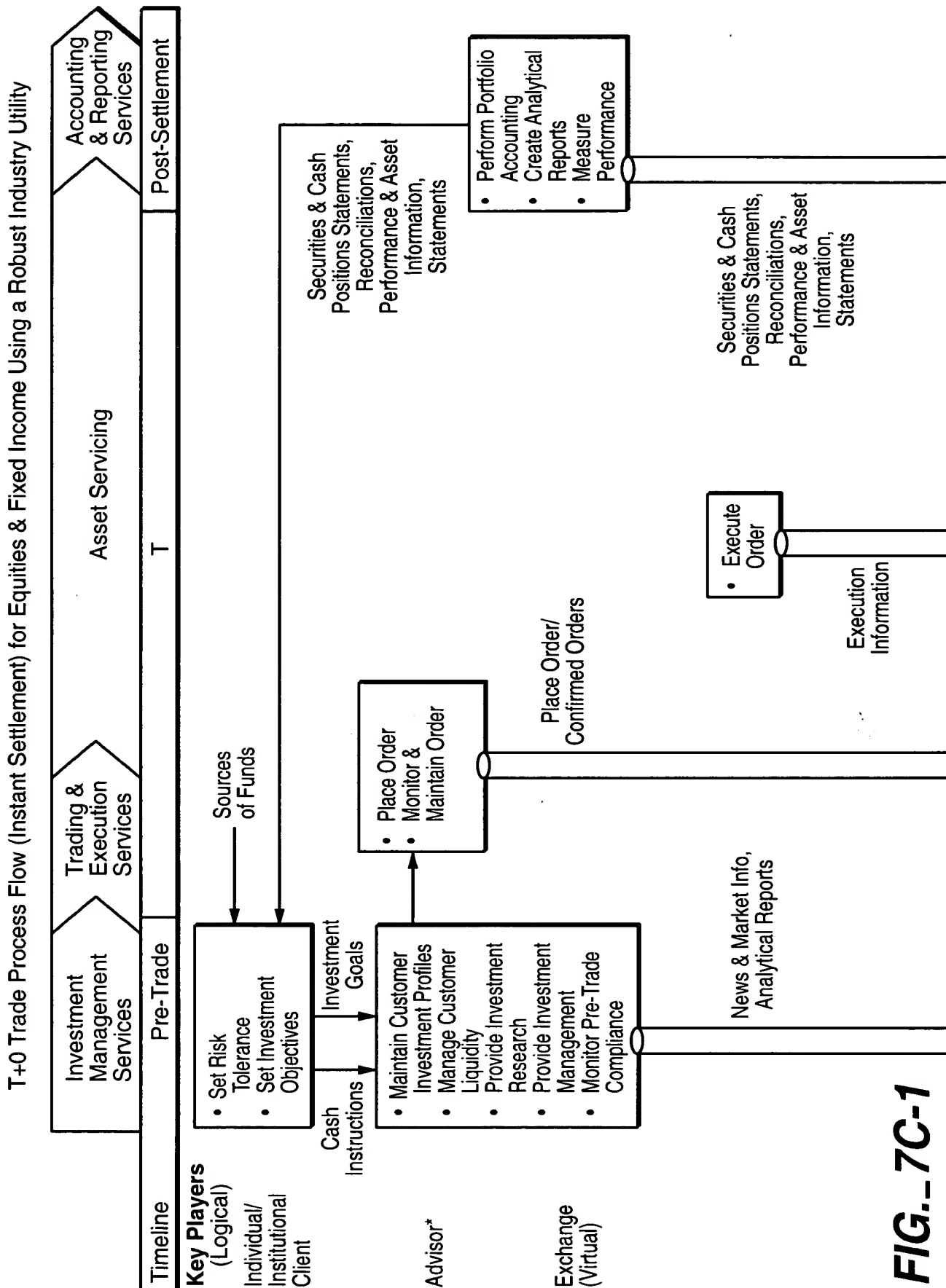


FIG.-7C-1

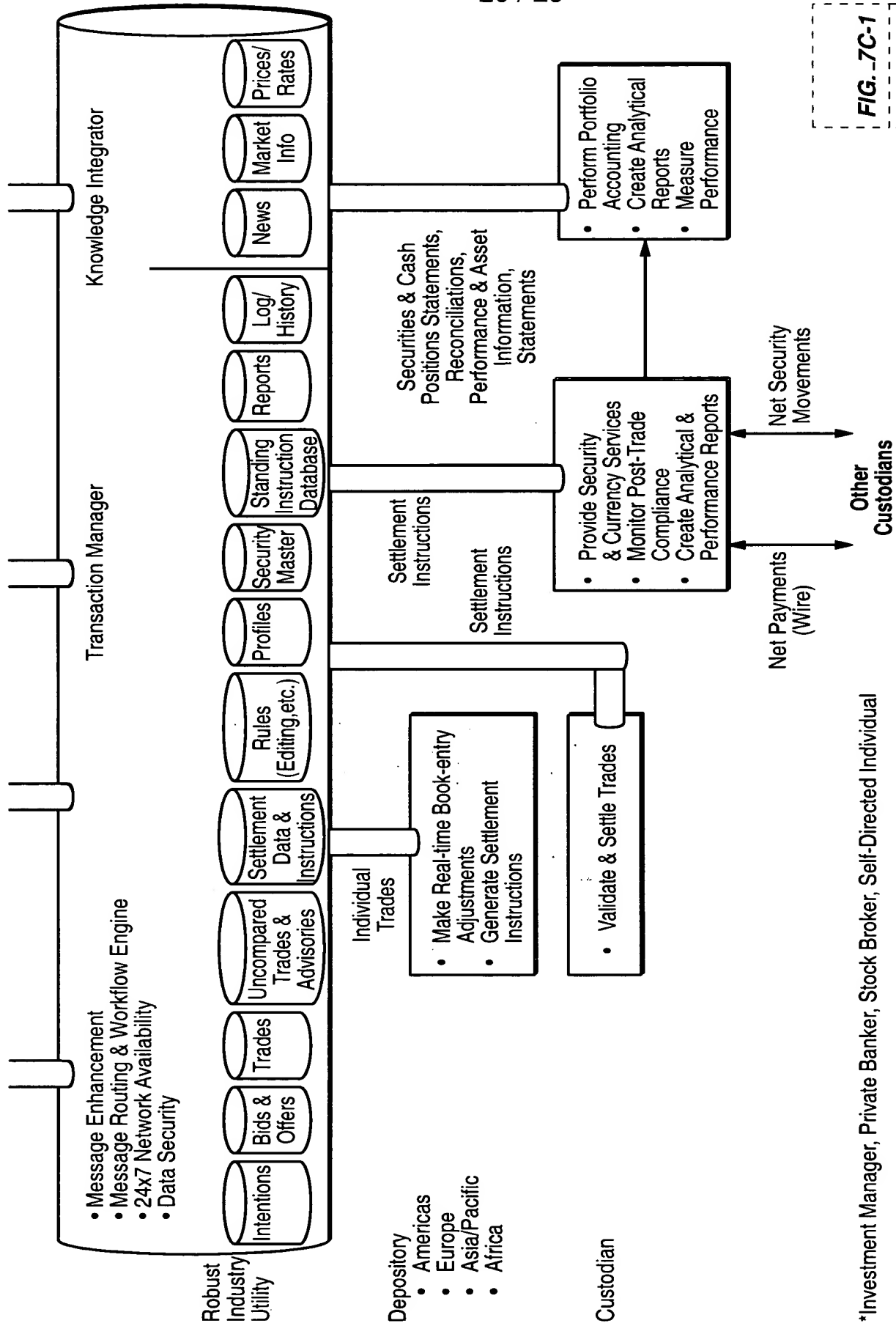


FIG.\_7C

FIG.\_7C-2

\*Investment Manager, Private Banker, Stock Broker, Self-Directed Individual

FIG.-8A

HEAT MAP Example of T + 1 Impact on a Securities Processing System

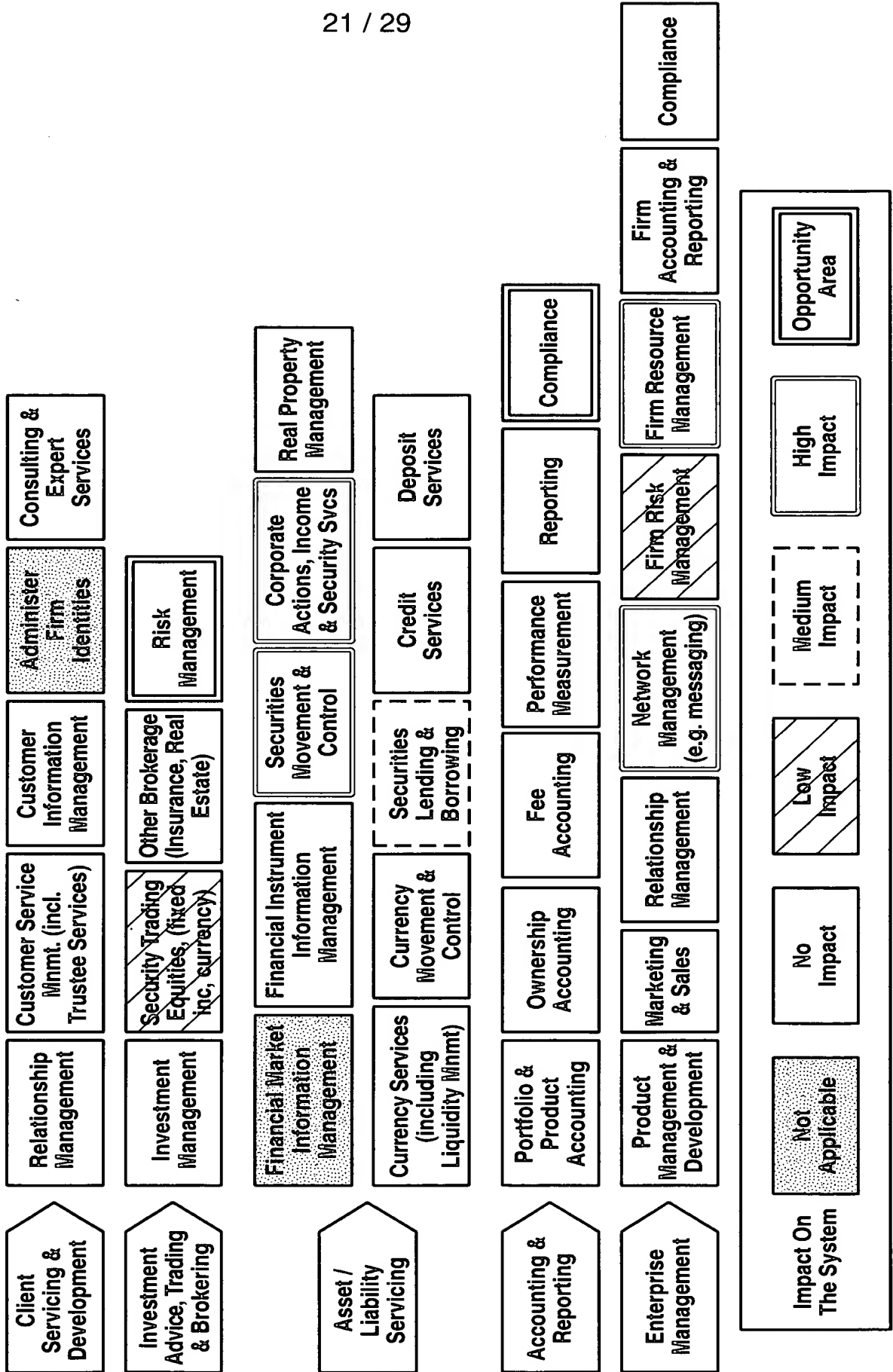
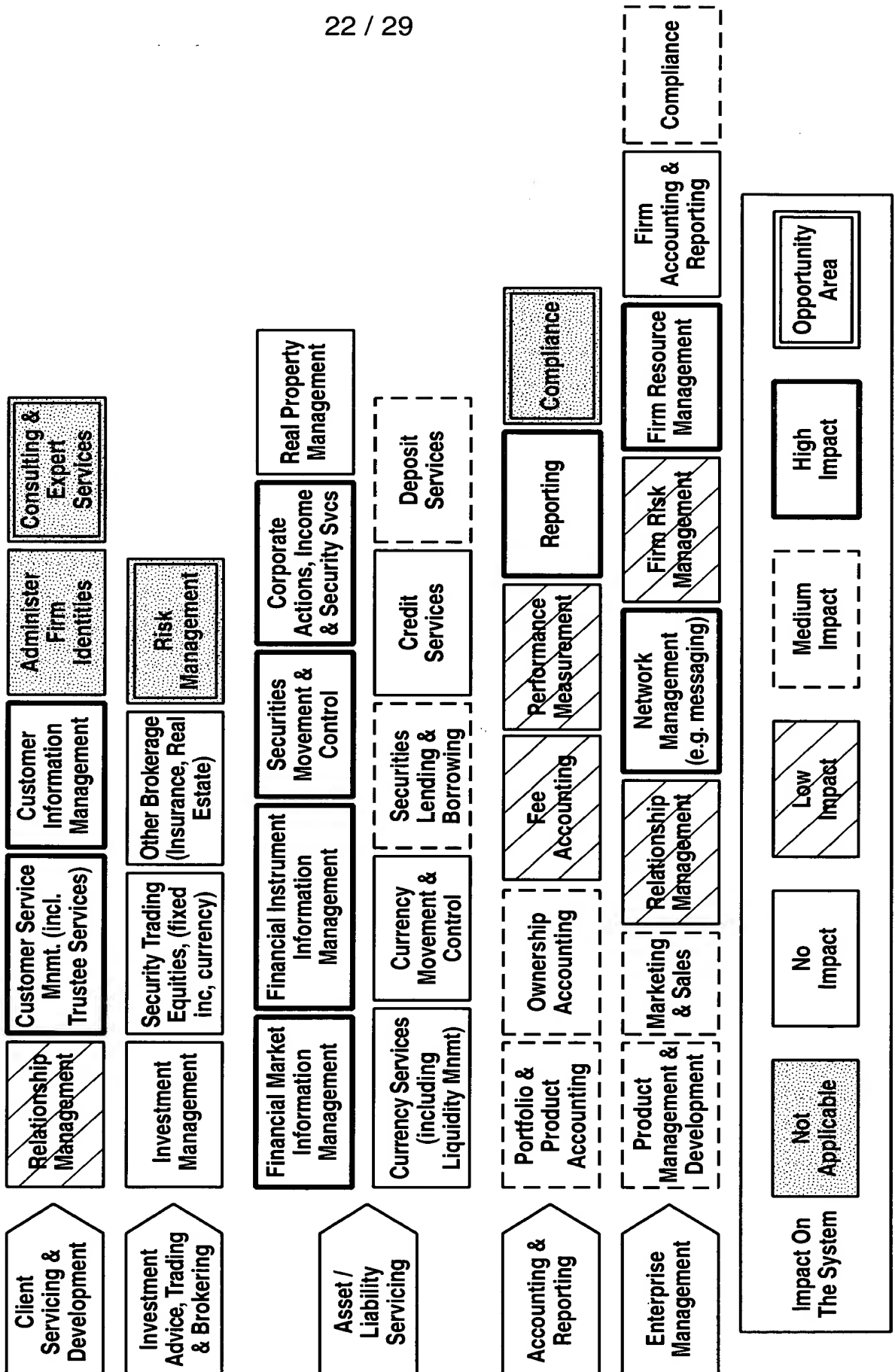


FIG.\_8B

## HEAT MAP Example of T + 0 Impact on a Securities Processing System



## Business Partner and Vendor Interview Guide

Question	Comments
1. How would you characterize your company's role in the securities industry?	
2. How do you view your company's relationship with our organization?	
3. What is your definition (vision) of STP?	
4. How would you assess your company's STP readiness (L/M/H)? Why?	
5. What are major STP-related initiatives planned or underway in your company?	
6. What is the level of concern you have regarding your firm's ability to adapt to T+1; T+0?	
7. Which area of your firm has the greatest distance to go in achieving STP-related gains?	
8. What area of your company should be addressed first in building an STP capability?	
9. What do you see as the major obstacles in achieving STP in your company?	
10. As regards your STP efforts, to what degree is management's focus on each competency area (people, process and technology)? (L/M/H)	

**FIG.\_9**

[illegible][illegible]

Business Process/Activity		Relevant Core, Non-core Applications
<b>CLIENT SERVICING AND DEVELOPMENT</b>		
<b>93</b>	<b>Relationship Management</b>	
93.01	Establish and Monitor Service Tiering Alignment	Fees, Ticklers, Account Options
93.02	Establish and Manage Client Service Teams	
93.03	Maintain Client Communications	Statement messages, Ticklers
93.04	Monitor Client Service Team Performance	
93.05	Monitor Counterparty Service Performance	
<b>10</b>	<b>Customer Service and Information Management</b>	
10.01	Set up New Client/Counterparty Relationships	Client Maintenance (within T3K)
10.05	Establish Client/Counterparty Accounts	Client Maintenance (within T3K)
10.03	Establish and Maintain Client Service Profile	Client Maintenance (within T3K)
10.08	Fulfill Fiduciary Obligations	N / A
10.09	Fulfill Obligations as Agent	N / A
10.04	Maintain Client/Counterparty Communications	N / A
10.06	Maintain Account Profile Information	Client Maintenance (within T3K)
10.02	Establish and Maintain Client/Counterparty	Client Maintenance (within T3K)
10.07	Maintain Account Investment Information	Client Maintenance (within T3K)
<b>60</b>	<b>Administer Trust Indentures</b>	
60.01	Negotiate Indenture	
60.02	Qualify Trustee to Act	Account Setup & Reporting
60.03	Authenticate and Issue Securities	
60.04	Monitor Terms of Indenture	
<b>30</b>	<b>Consulting and Expert Services</b>	
30.01	Provide Issuer Related Advice	
30.02	Provide Investor Related Advice	
30.03	Provide Research Information	
30.04	Provide Risk Management Advice	

Category	Description of Current Environment	Changes Required to Support STP	Key Dependencies for Changes	Estimated Effort Required for Change (H/M/L)	Possible Third-party Solutions
Data Architecture					
Computing Environment					
Network Environment					
Infrastructure Environment					

FIG. 13

1400

Idea No.	Improvement Idea Description	Priority (H/M/L)	Quick Hit (?)	Timing	Process Affected	Application Affected	Estimated Programming Hours	Third-party Involved	Dependency

FIG.\_ 14

Project No.	Project Name	Scope/Functionality Delivered	Approach	Deliverables	Timing	Resource	Interdependencies

FIG.\_ 15

Develop Roadmap

The STP Roadmap outlines the journey towards STP including sequencing and timing.

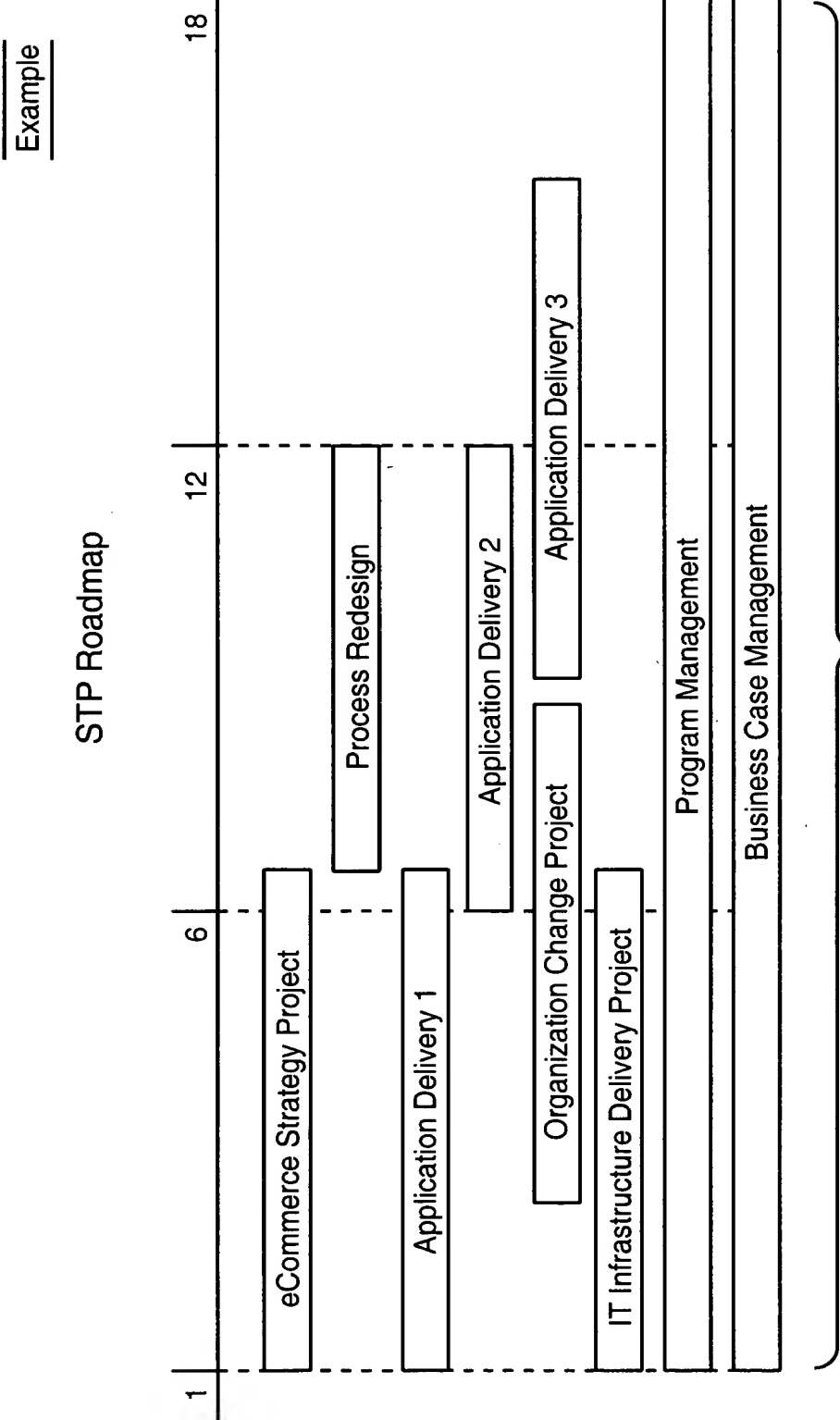
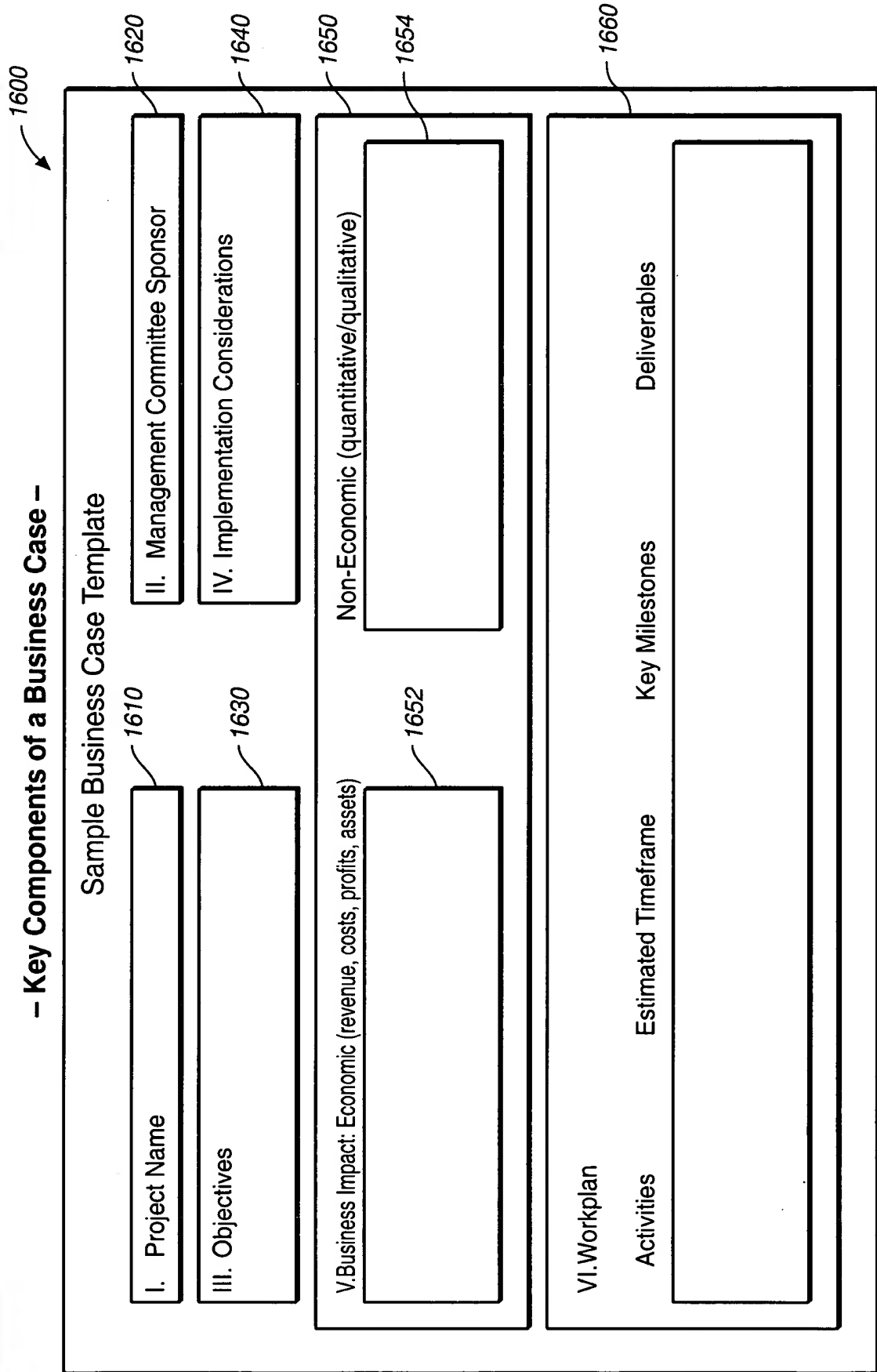


FIG.. 16

Example 2

**- Key Components of a Business Case -**

**Sample Business Case Template**



**FIG. 17**